

CITY COUNCIL REPORT

DATE: November 14, 2019

TO: Mayor, Vice Mayor, and Councilmembers

FROM: John Saltonstall, Business Retention & Expansion Manager
Stacey Brechler-Knaggs, Grants & Contracts Manager

CC: Shane Dille, Deputy City Manager
Heidi Hansen, Economic Vitality Director
David McIntire, Community Investment Director

SUBJECT: Northern Arizona Council of Governments (NACOG) Operations
and Funding Opportunities for Economic Development

A Council member requested a report on the status of the Comprehensive Economic Development Strategy (CEDS) and funding opportunities for economic development projects in Northern Arizona. This report is provided for informational purposes.

NACOG has been working on a CEDS update since February 7, 2019. We anticipate that the five-year plan, CEDS 2020-2025, will be completed in December 2019. Upon approval, it will be posted on the NACOG website: <https://nacog.org>.

Background:

NACOG serves an Economic Development District (EDD) encompassing Apache, Coconino, Navajo, and Yavapai counties, and covering 40% of Arizona's land area.

NACOG supports programs to assist economically distressed areas, planning regions, cities, and counties in undertaking significant economic development planning, policy-making, and implementation efforts.

NACOG is governed by a Regional Council comprised of public and private sector officials that are appointed or elected by their respective governments.

The NACOG Regional Council established the Economic Development Council (EDC) to oversee the CEDS and the process of developing the CEDS document.

The CEDS and Annual Action Plans:

The CEDS is a program developed by the federal Economic Development Administration (EDA) for economic development districts across the county. Each CEDS establishes a five-year plan for regional priorities for projects and investments in the district. A CEDS is intended to promote economic and workforce development and opportunity, foster effective transportation systems, enhance and protect the environment, and balance resources through sound management of development.

The CEDS serves as the blueprint for each Economic Development District's annual action plan and as a project pipeline for future EDA funding. The action plan consists of a list of projects, goals, and priorities for the following kinds of economic development projects:

- **Public Works:** Help distressed communities revitalize, expand, and upgrade their physical infrastructure; enable communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long-term, private sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises.
- **Technical Assistance:** Help analyze the feasibility of potential economic development projects, such as an industrial park or a high-technology business incubator. Help promote planning for economic development and alleviate unemployment and outmigration in distressed regions.

The CEDS and Flagstaff Funding Opportunities:

City of Flagstaff Economic Development staff is working with Grants and Contracts Management staff to develop a list of currently programmed and budgeted projects that will be presented to the EDC for possible inclusion in the CEDS.

Prior CEDS Economic Development Grants:

The City has received CEDS grants in the past for the following projects:

- 1995 Flagstaff Airpark Water and Sewer Main;
- 2006 Flagstaff Business Incubator;
- 2012 Flagstaff Business Accelerator.

The 2012 Brownfields Coalition Assessment Grant provided funding to perform Phase 1 and Phase 2 environmental assessments on properties along Route 66 in the four-county NACOG region. This grant was administered by the City of Flagstaff Community Design and Redevelopment Office. The program was used throughout the four-county region to fund Phase 1 environmental assessments on potential brownfield properties. The program was a success, and the consortium was encouraged to apply again.

Update on Brownfield Grants:

- 2019 Route 66 Brownfields Coalition Assessment Grant.

NACOG has been awarded a grant from the Environmental Protection Agency in the amount of approximately \$600,000 for a new Brownfield Assessment program. This grant also will be used to conduct environmental assessments of properties along Route 66 throughout the four-county NACOG region.

The City is no longer the lead agency but will be a participant and will have access to the funding. Staff will bring an IGA with NACOG forward for Council consideration at the November 19, 2019 Council Meeting.

City staff will continue to work with the Economic Development Council and NACOG to help identify economic development projects that will benefit the Flagstaff community.

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